areas, or by destroying or concealing evidence that would form the basis for arrest.

(ii) Moreover, providing an accounting to the subjects of investigations would alert them to the fact that FinCEN has information regarding possible criminal activities and could inform them of the general nature of that information. Access to such information could reveal the operation of the information-gathering and analysis systems of FinCEN, the Federal Supervisory Agencies and other SAR System Users and permit violators to take steps to avoid detection or apprehension.

(6) 5 U.S. C. 552a(e)(4)(I) requires an agency to publish a general notice listing the categories of sources for information contained in a system of records. The application of this provision to the SAR System could compromise FinCEN's and the Federal Supervisory Agencies' ability to provide useful information to law enforcement agencies, because revealing sources for the information could:

(i) Disclose investigative techniques and procedures,

(ii) Result in threats or reprisals against informers by the subjects of investigations, and

(iii) Cause informers to refuse to give full information to criminal investigators for fear of having their identities as sources disclosed.

(7) 5 U.S.C. 552a(e)(1) requires an agency to maintain in its records only such information about an individual as is relevant and necessary to accomplish a purpose of the agency required to be accomplished by statute or executive order. The application of this provision to the SAR System could impair the effectiveness of law enforcement because in many cases, especially in the early stages of investigation, it may be impossible immediately to determine whether information collected is relevant and necessary, and information that initially appears irrelevant and unnecessary, upon further evaluation or upon collation with information developed subsequently, often may prove helpful to an investigation.

(8) 5 U.S.C. 552a(e)(2) requires an agency to collect information to the greatest extent practicable directly from the subject individual when the information may result in adverse determinations about an individual's rights, benefits, and privileges under Federal programs. The application of this provision to the SAR System would impair FinCEN's ability to collect, analyze and disseminate to System Users investigative or enforcement information. The SAR System is designed to house information about known or suspected criminal activities or suspicious transactions that has been collected and reported by financial institutions, or their examiners or other enforcement or supervisory officials. It is not feasible to rely upon the subject of an investigation to supply information. An attempt to obtain information from the subject of any investigation would alert that individual to the existence of an investigation, providing an opportunity to conceal criminal activity and avoid apprehension. Further, with respect to the initial SAR, 31 U.S.C. § 5318(g)(2) specifically prohibits financial institutions making such reports from notifying any participant in the transaction that a report has been made.

(9) 5 U.S.C. 552a(e)(3) requires an agency to inform each individual whom it asks to supply information, on the form that it uses to collect the information or on a separate form that the individual can retain, the agency's authority for soliciting the information; whether disclosure of information is voluntary or mandatory; the principal purposes for which the agency will use the information; the routine uses that may be made of the information; and the effects on the individual of not providing all or part of the information. The application of these provisions to the SAR System would compromise the ability of the component agencies of the SAR System to use the information effectively for purposes of law enforcement.

(10) 5 U.S.C. 552a(e)(5) requires an agency to maintain all records it uses in making any determination about any individual with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination. Application of this provision to the SAR System would hinder the collection and dissemination of information. Because Suspicious Activity Reports are filed by financial institutions with respect to known or suspected violations of law or suspicious activities, it is not possible at the time of collection for the agencies that use the SAR System to determine that the information in such records is accurate, relevant, timely and complete.

(11) 5 U.S.C. 552a(e)(8) requires an agency to make reasonable efforts to serve notice on an individual when the agency makes any record on the individual available to any person under compulsory legal process, when such process becomes a matter of public record. Application of these requirements to the SAR System would prematurely reveal the existence of an ongoing investigation to the subject of investigation where there is need to keep the existence of the investigation secret. It would render ineffective 31 U.S.C. § 5318(g)(2), which prohibits financial institutions and their officers, employees and agents from disclosing to any person involved in a transaction that a SAR has been filed.

(12) 5 U.S.C. 552a(g) provides an individual with civil remedies when an agency wrongfully refuses to amend a record or to review a request for amendment, when an agency wrongfully refuses to grant access to a record, when any determination relating to an individual is based on records that are not accurate, relevant, timely and complete, and when an agency fails to comply with any other provision of 5 U.S.C. 552a so as to adversely affect the individual. Because the SAR System is exempt from these provisions it follows that civil remedies for failure to comply with these provisions are not appropriate.

* * * * *

Dated: September 26, 1997.

Alex Rodriguez,

Deputy Assistant Secretary (Administration)

[FR Doc. 97–28835 Filed 10–30–97; 8:45 am]

Billing Code: 4820–03–F

DEPARTMENT OF THE TREASURY

31 CFR Part 103

RIN 1506–AA12

Financial Crimes Enforcement Network; Bank Secrecy Act Regulations; Exemption From the Requirement to Report Transactions in Currency—Phase II; Open Working Meeting

AGENCY: Financial Crimes Enforcement Network, Treasury.

ACTION: Meeting on proposed regulations.

SUMMARY: The Financial Crimes Enforcement Network (''FinCEN'') will hold a working meeting to give interested persons the opportunity to discuss with Treasury officials issues regarding proposed Bank Secrecy Act regulations relating to exemptions from the requirement to report transactions in currency in excess of $10,000.

DATES: November 7, 1997, 9:00 a.m. to 12 noon.

ADDRESSES: Renaissance Washington D.C. Hotel, Renaissance West Salon, 999 9th Street, NW, Washington, D.C. 20001.

FOR FURTHER INFORMATION CONTACT: Charles Klingman, Financial Institutions

Policy Specialist, FinCEN, at (703) 905–3602, or Albert R. Zarate, Attorney-Advisor, Office of Legal Counsel, FinCEN, (703) 905–3807.

SUPPLEMENTARY INFORMATION: On September 8, 1997, FinCEN issued proposed regulations (62 FR 47156) relating to exemptions from the requirement in 31 CFR 103.22 to report transactions in currency in excess of $10,000.[1] The proposed regulations introduce two new classes of exempt persons: ''non-listed businesses'' and ''payroll customers.'' The proposed regulations also provide operating rules for determining whether a customer is an exempt person and restructure 31 CFR 103.22 to reflect changes to the exemption system.

FinCEN is announcing today that it will hold a meeting on November 7, 1997 to discuss issues relating to the proposed exemption regulations. Although persons attending the meeting are encouraged to discuss any of their concerns about the proposed regulations, FinCEN hopes that the meeting will include discussion of the following matters:

1. Concerns, including specific estimates of costs, regarding the proposed requirement to file annual reports of the aggregate currency deposits and withdrawals by non-listed businesses and payroll customers,

2. Information banks currently possess about the ranges of cash transactions by customers exempted under the administrative exemption system (for example, the percentage and type of exempt customers with total cash transactions of around $25,000, $50,000, $100,000, etc.), and the potential uses of that information to assist law enforcement,

3. Concerns regarding the prohibition against commingling personal and business funds in the accounts of sole proprietors,

4. suggestions on ways to shorten the list of businesses ineligible for exemption, and

5. Suggestions for dealing with businesses with multiple activities one of which is not eligible for exemption, (for example, a grocery store with both a money services business activity such as the sale of money orders and non-money services business activities).

The meeting is not intended as a substitute for FinCEN's request for written comments in the notice of proposed rulemaking published September 8, 1997. Rather, the meeting is intended to help make the comment process as productive as possible by providing a forum between the industry and FinCEN concerning issues relating to the proposed regulations. The meeting will be open to the public and will be recorded; prepared statements will be accepted for inclusion in the record. A transcript of the meeting will be available for public inspection and copying. Accordingly, oral or written material not intended to be disclosed to the public should not be raised at the meeting.

Dated: October 27, 1997.

Stephen R. Kroll,

Federal Register Liaison Officer, Financial Crimes Enforcement Network.

[FR Doc. 97–28885 Filed 10–30–97; 8:45 am]

BILLING CODE 4820–03–P

[1] On September 8, 1997, FinCEN also issued final regulations (62 FR 47141) exempting from the requirement to report transactions in currency in excess of $10,000 transactions occurring between banks and certain exempt persons. The final regulations treat the following classes of persons as exempt if the specific requirements of the regulations are met: (1) Banks, (2) federal, state, and local government departments and agencies, (3) certain entities that exercise governmental authority, (4) entities (other than banks) listed on applicable national security exchanges, and (5) certain subsidiaries of those listed entities. These exemptions are a step to a simpler exemption system and implement the Money Laundering Suppression Act of 1994.

POSTAL SERVICE

39 CFR Part 20

Interim Rule for Global Package Link (GPL) to Canada

AGENCY: Postal Service.

ACTION: Interim rule with request for comments.

SUMMARY: The Postal Service is amending the regulations on Global Package Link (GPL) to Canada. For the Ground Courier service (henceforth to be referred to as GPL Standard), new pricing and a change in some of the features are being announced, effective publication date. At that same date, the Ground Gateway service will be eliminated. The new pricing for GPL Standard is based on origin and destination, and is, in most cases, a reduction in the rates previously established.

DATES: These regulations take effect as of October 31, 1997. Comments must be received on or before December 1, 1997.

ADDRESSES: Written comments should be mailed or delivered to International Business Unit, U.S. Postal Service, 475 L'Enfant Plaza SW, 370–IBU, Washington, DC 20260–6500. Copies of all written comments will be available for public inspection and photocopying between 9 a.m. and 4 p.m., Monday through Friday, at the above address.

FOR FURTHER INFORMATION CONTACT: Robert E. Michelson, (202) 268–5731.

SUPPLEMENTARY INFORMATION:

I. Introduction

General Description

GPL is a service that provides fast, economical international delivery of packages containing merchandise. GPL makes it easier and less costly for mail-order companies to export goods. The Postal Service provides GPL a destination country-specific basis pursuant to the terms and conditions stipulated in section 620 of the International Mail Manual and the Individual Country Listings.

II. GPL to Canada

Description

GPL to Canada currently offers an Air Courier, a Ground Courier, and a Ground Gateway service. The Air Courier Service will be renamed GPL Premium. There will be no other changes to the Air Courier service. The Ground Courier service will be renamed GPL Standard. The Ground Gateway Service will be discontinued, since the new GPL Standard rates will be lower than the Ground Gateway rates. GPL Standard will differ from the existing Ground Courier service in the following ways:

1. Pricing will be based on four originating zones in the United States and local, regional, and national destinating zones in Canada.

2. Insurance coverage will be increased. Insurance will be included in the price for up to $100 (U.S.), and optional coverage of $100–$1000 (U.S.) will be available for a fee of $.90 per $100 of insurance over the first $100 based on the value of the item declared.

3. For mail entering Canada through Vancouver (generally, mail originating in Zone C (Seattle) or Zone D (San Francisco)) there will be no changes other than those mentioned in items #1 and #2 above; that is, a new pricing structure and an increase in insurance availability.

4. For mail entering Canada through Toronto (generally, mail originating in Zone A (Buffalo, Chicago, New York City) or in Zone B (Dallas, Miami)), the following additional changes will take place:

- The service standard is anticipated to be from three to five days after receipt by the U.S. Postal Service.
- Preparation requirements will include that the customer place a Canada Post Xpresspost label on the package.